

ORIGINAL



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Ashcreek Water Co

P.O. Box 825 Thatcher, AZ 85552
3776 Main St, Thatcher, AZ

965-2934 for emergencies

428-3357 for billing questions

428-5420 for all other contact

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June 1, 2007

ARIZONA CORPORATION COMMISSION:

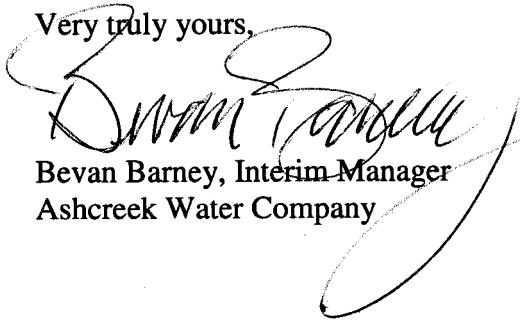
DOCKET NO. W-02494A-06-0561

W-02494A-06-0562

Mike Gleason, Chairman
Kristin K. Mayes
William Mundell
Jeff Hatch-Miller
Gary Pierce

As a COMPLIANCE ITEM in the above Docket No.s I am submitting the copy of the notice and rates inserted into the regular monthly billing preceding the June 1, 2007 date when the rates become effective.

Very truly yours,


Bevan Barney, Interim Manager
Ashcreek Water Company

Attchmt. 2

AZ CORP COMMISSION
DOCKET CONTROL

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MONTHLY USAGE CHARGE:

5/8" x 3/4" Meter	\$18.00
3/4" Meter	27.00
1" Meter	45.00
1 1/2" Meter	90.00
2" Meter	128.00
3" Meter	270.00
4" Meter	450.00
6" Meter	900.00

GALLONAGE CHARGES:

(per 1,000 Gallons)	
0 to 3,000	\$1.55
3,001 to 9,000	2.75
Over 9,000	3.95

Bulk Water Rate -per 1,000 Gallons	\$3.95
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Offsite Hook-up Fee (per hook-up)	\$1,000
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SERVICE LINE AND METER INSTALLATION CHARGES:

(Refundable pursuant to A.A.C. R14-2-405)

5/8" x 3/4" Meter	\$440.00
3/4" Meter	520.00
1" Meter	610.00
1 1/2" Meter	855.00
2" Meter	1,515.00
3" Meter	2,195.00
4" Meter	3,360.00
6" Meter	6,115.00

SERVICE CHARGES:

Establishment	\$20.00
Establishment (After Hours)	30.00
Reconnection (Delinquent)	35.00
Reconnection (Delinquent-After hours)	50.00
Meter Test (If Correct)	30.00
Deposit	*
Deposit Interest	*
Reestablishment (Within 12 Months)	**
NSF Check	20.00
Deferred Payment (Per Month)	1.50%
Meter Reread (If Correct)	20.00
Late Fee	1.50%

* Per Commission rule A.A.C. R-14-2-403(B).

** Number of months off system times the monthly minimum per Commission rule A.A.C. R14-2-403(D).

Report from the Interim Manager

June 1, 2007

Important Notice!

We finally have the authorization from the Arizona Corporation Commission to increase rates and borrow money to fix the system--including storage. This should solve the out-of-water problem for those on the upper part of the system. But it will still take time for that to happen. The loan application board will meet on June 15 and make their decision whether or not to lend the money for our projects. After that it will take engineering, ADEQ approval, and construction time to make the system work for everyone. For those of you with trees and grass, PLEASE water them less, or replace them with desert landscaping.

We have too many customers for the water we can provide in the warm months. We experience low pressure and outages for some customers when everyone uses more water than the system can supply. Many families need help now.

I am authorized by the Arizona Corporation Commission to curtail water use when we experience these conditions. What this means is that if we cannot cooperate to reduce water usage--particularly on weekends, I have the authority to penalize those who continue to use excess water--up to and including disconnecting customers who do not cooperate. This would be a hardship for those disconnected, but would be good for the whole. We were out of water for many families on Wednesday, May 30. I drove through the system and saw many sprinklers on for lawns and trees. We have to reduce that usage now. People without water for their evaporative coolers suffer in this heat.

Today I am still asking for voluntary cooperation. I ask that every customer reduce their usage by one half. This means:

- No washing of cars
- Cut watering on outside plants
- Water outside plants in the morning
- Water plants only what they need to survive for now!!!!

I also ask that weekend water changes are:

- No watering of outside plants on weekends
- Laundry be done staggered through the week--not on weekends

If we can do this voluntarily, everyone benefits. If not, I can and will place orders that force this, and can invoke penalties for violators in the worst case. This can include complete disconnection from the system.

If everyone cooperates we can get through the next few months.

You will find a new ASHCREEK WATER COMPANY rates included in this mailing. Read it carefully. There is no longer a free 1,000 gallons included in the monthly charge. These rates will begin with your next bill at the end of June.

The rate for the first 3,000 gallons is now lower so that everyone can afford to have the water necessary to live. But the rate goes up rapidly for those that use extra water. From 3,000 gallons to 9,000 gallons the rate goes to \$2.75 per 1,000--up from the \$1.95 in the past. It gets even worse for those who water big lawns. After 9,000 gallons the rate jumps to \$3.95 per 1,000 gallons. This is more than double what was paid before this rate change. The Arizona Corporation Commission and the Department of Water Resources are encouraging conservation. It is time to consider desert landscaping. Lawns and high water use trees are discouraged.

Rates will continue to go up as water becomes more scarce. It is time to change your landscaping now!

Meanwhile, the same rules apply for you to use for any water outages. I will try to get public service announcements on the radio for a planned outage. If your water goes off, and it is Monday through Friday, chances are that we are working on the system. We will be off less than four hours each time. If you are out of water, and want to check, call 428-3357 during working hours, during the week. If the water is off any other time, it is an emergency, and call either 428-5420, or 965-2934, and we will respond.

Bevan Barney
Interim Manager
Ashcreek Water Company